

The Determinants of Employee Commitment on Organizational Performance A Case Study of Rwanda Revenue Authority

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Abstract: *This research aimed at establishing the basic determinants of employee commitment on organizational performance in Rwanda and was carried out in Rwanda Revenue Authority at the headquarters in Kimihurura as the case study with the following objectives; to analyze the effect of staff promotions on organizational performance, to assess the role of capacity development on performance of organizations, to analyze the contribution of remunerations on organizational performance and to examine the effect of good working environment on organizational performance. Data was collected using questions and interviews for primary data while for secondary data documentary review was used. The collected data was analyzed using percentages and frequencies in excel program and interpretation was based on percentages and frequencies. The researcher found out that employee commitment in Rwanda Revenue Authority has been so instrumental in making employees get more attached to the organization and hence able to run and maintain its attained goals. The researcher concluded that employee commitment leads to increased sustainability (46%), attainment of organizational goals and making employees more attached to the organization and that the environmental factors affecting organizational performance. The determinants of employee commitment and organisational performance was at the rate of 0.895 meaning that determinants of employee commitment influence organisational performance at the level of 89.5%. This proves a strong correlation between the two variables. Further more, if a null hypothesis is formulated as there is no relationship between determinants of employee commitment and organisational performance. The researcher recommended that working environment should remain favorable in Rwanda Revenue Authority if performance is to persist in RRA.*

1. Background of the Study

In this chapter, the researcher presents background to the study, the problem statement, study objectives and research questions. The significance of the study, the study limitations and scope of the study are also presented.

Commitment is not only a human relation concept but also involves generating human energy and activating human mind. Without commitment, the implementation of new ideas and initiatives will be compromised. Human resource system can facilitate the development or organizational competencies through eliciting employees' commitment to the firm. Hence organizations with a fit business strategy, structure and practices and policy might perform better (Biljana, 2004).

In today's competitive world, every organization is facing new challenges regarding sustained productivity and creating committed workforce. Nowadays, no organization can perform at peak levels unless each employee is committed to the organizations objectives. Hence, it is important to understand the concept of commitment and its feasible outcome. When employees enter into the organization, they are bound to maintain a link with the organization or committed to remain with the organization because lack of alternative opportunity or awareness of the costs associated with leaving the organization. The cost associated with leaving includes attractive benefits, the threat of wasting time; disrupt personal relationship (Alonso and Niko 2008).

Commitment is a force that binds an individual to a course of action of relevance to one or more targets. Binding refers

to the maintenance of the relationship with the commitment object and is seen as the most important outcome of commitment. Thus, committed individuals stick to the values of their commitment. As is the case in private life, many individuals have conflicting commitments in work life, such as those towards work, profession, career, colleagues, department, and the organization as a whole. There are different forces that can compel an individual to a particular course of action (Oguntimehin, 2001).

Employee commitment is important because high levels of commitment lead to several favorable organizational outcomes. It reflects the extent to which employees identify with an organization and are committed to its goals. The commitment of employees is an important issue because it may be used to predict employees' performance, absenteeism and other behaviors. The organizational commitment is the subset of employee commitment, which comprises of work commitment, career commitment and organizational commitment that aid higher productivity. An impressive amount of research efforts have been conducted to understanding the concepts and to identify implications of organizational commitment over the performance of the employees on the workplace. In many organizations in Rwanda, employee commitment tends to be low due to unfavorable conditions at work, poor motivation and remuneration of employees that all affect performance. Institutions try their level best to have commitment of employees improved but due to increased competition and employee demands; employees are unfairly rewarded for their services and this tends to reduce their moral and affect perception at work, employers are doing less to improve skills of their employees through capacity building, promotions are done unfairly and those who work hard are

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not fairly rewarded through promotion. Cases of poor working relationships and conditions are also reported in many organizations and tend to affect commitment of employees. Employee commitment has remained a difficult thing to uphold in institutions hence affecting performance.

In 1997, Rwanda Revenue Authority was established as an independent body by the law no 15/97 of 8/11/1997 to administer the various taxes and tax related laws and to assess, collect, administer, and account for Fiscal and Customs revenue collected to the Government through the Ministry of finance in accordance with established procedure.

RRA came into existence at a time when public institutions in the nation were either experiencing shortage of qualified staff or bearing the effect of it. Such burden partly linked to the 1994 genocide that caused knowledge and knowledge repatriation. As a tax administration, RRA entered into an environment and niche that concerned with revenue collection. There was a lot of fraud and smuggling in the country and RRA therefore was seen as an enemy threatening peoples' hot business at time.

Through article 3(c) of the law no 15/97 of 8/11/1997, Rwanda Revenue Authority was given powers to institute prosecution of Tax offenders. The RRA was mandated to enforce compliance with the laws that it administers to ensure that taxpayers fully comply with their obligations under the tax laws by heavily guarding against all forms of tax offences. Rwanda Revenue authority has managed to be one of the most performing institutions in the country due to improved commitment of employees, though employees are not highly motivated in RRA, employees feel much attached to their work and are contributing greatly to performance.

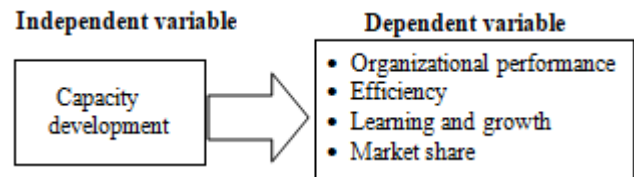
2. Statement of the problem

Employee commitment is one of the job related attitudes which has attracted the minds of scholars and practitioners in the field of Human Resources Management due to the impact it has on organizational performance. All institutions are set up with specific objectives to achieve and these objectives are achieved through improved performance of the organization but this cannot be ensured without improved employee commitment. Many institutions therefore focus on different areas of improving commitment of their employees so that they can improve performance. Organizations with committed employees tend to perform better than those that have less committed employees and yet various organizations are doing less to improve employee commitment. There is a problem of failure to understand how to enhance employee performance through employee commitment, organization are not doing much to enhance employee commitment. Organizations need to understand how they can improve employee commitment using basic commitment factors like promotions, capacity development, remunerations and good working conditions. This is happening because of limited understanding of the determinants of employee commitment. It is against that background that the researcher carried out this research with reference to Rwanda Revenue Authority.

3. Objective of the study

To analyze the role of inventory policy on supply chain performance in manufacturing industry in Rwanda.

4. Conceptual Framework



Research Design

A detailed outline of how an investigation took place. A research design typically includes how data is to be collected, what instruments will be employed, how the instruments were used and the means for analyzing data collected. It specifies such things as how to collect and analyze the data (Kara, 2012). A descriptive and analytical research design was used with a purpose of describing and analyzing the views collected from respondents.

Population of the Study

A research population is generally a large collection of individuals or objects that is the main focus of a scientific query (Creswell, 2012). It is for the benefit of the population that researches are done. However, due to the large sizes of populations, researchers often cannot test every individual in the population because it is too expensive and time-consuming. This is the reason why researchers rely on sampling techniques. The population of this research was the 244 employees of Rwanda Revenue Authority at the headquarters in Kimihurura, Kigali City.

Sampling technique

The sample size of this research was selected using the formula $n = \frac{N}{1+N(e)} \cdot 2$ (Kothari, 2004) under this formula n is the sample size, N is the total population and e is the sampling error (0.1)

$$n = \frac{244}{1+244(0.1)} \cdot 2$$

$$n = \frac{244}{1+24.4}$$

$$n = \frac{244}{25.4}$$

$$n = 9.6063$$

$$n = 71$$

The sample size of the study was therefore 71 respondents including 12 senior managers and 59 junior staff selected from the total population using simple random and purposive sampling technique. Simple random sampling technique was used on junior staff while purposive sampling was used on senior managers.

Data Collection Instruments

This included the methods that the researcher used to collect data from various sources and they included questionnaires, interviews and documentary review. The researcher ensured that the research instruments used are reliable, consistent

and free from any bias. Questionnaires and interview guide contained clear and accurate questions.

5. Research findings and discussion

Table 1: Views on whether capacity building enhances employee commitment

Views	SA		A		(N)Neutral		Disagree		SD		Total	
	Fr	%	Fr	%	Fr	%	Fr	%	Fr	%	Fr	%
1.Trainings	40	56	20	28	8	11	3	5	0	0	71	100
2.Encouraging teamwork	35	49	18	32	10	18	8	1	0	0	71	100
3.Encouraging employee commitment	55	77	8	16	5	7	3	0	0	0	71	100
4. Employee engagement	30	42	28	39	10	14	3	5	0	0	71	100

Source: Primary data 2018

According to Table 1, respondents contacted 56% strongly agreed that training is one way of enhancing capacity building while 20% agreed and 11% neither agreed nor disagreed. 5% disagreed. 49% strongly agreed that encouraging team work is one way of enhancing capacity building while 32% agreed and 18% neither agreed nor disagreed. 1% disagree. 77% strongly agreed that encouraging employee commitment is one way of promotion capacity building, 16% agreed and 7% neither agreed nor disagreed. 42% strongly agreed that encouraging employee engagement is one way of promoting capacity building in RRA, 39% agreed and 14% neither agreed nor disagreed 4% disagree. This led the researcher to the realization that capacity building in Rwanda Revenue Authority enhances commitment of employees. This capacity building makes employees more dedicated and focused at the work they do which in turn leads to improved performance of Rwanda Revenue Authority. This is as a result of improvements in employees skills, attitude towards work and improved professionalism as well as career development which are attributes of employee performance.

According to Table 3, respondents contacted 71% strongly agreed that promotions are one of the ways of employee recognition in RRA while 29% agreed. 66% strongly agreed that allowances is an indicator of employee recognition while 34% agreed. 42% strongly agreed that bonus is an indicator of employee recognition, 42% agreed and 16% neither agreed nor disagreed. This led the researcher to the realization that employee recognition in Rwanda Revenue Authority enhances commitment of employees. The institution values employees and recognizes the good work they do. Recognition is normally expressed in rewards, promotions and appreciation of the work done by the supervisors and managers.

6. Conclusion

The researcher concluded that capacity building is the basic determinants of employee performance in RRA. Capacity building and recognition as well as valuing employees for their services rendered to the institution and that this employee commitment is reflected in the performance of the institution.

7. Recommendations

- Trainings should always be offered because this helps to enhance ability and capacity of employees
- Employees should always be committed towards the work that they do since this will help the institution to attain the desired future position.

Table 2: Determinants of employee commitment in RRA

Working conditions	SA		A		N		D		SD		Total	
	Fr	%	Fr	%	Fr	%	Fr	%	Fr	%	Fr	%
Better working environment	50	70	20	28	1	2	0	0	0	0	71	100
Clear job descriptions	37	52	20	28	14	20	0	0	0	0	71	100
Better communication	30	42	8	12	33	46	0	0	0	0	71	100
Team work	30	56	28	39	13	5	0	0	0	0	71	100

Source: Primary data 2018

According to Table 2, respondents contacted 70% strongly agreed that better working environment is one of the indicators of better working conditions while 29% agreed and 1% neither agreed nor disagreed. 52% strongly agreed that clear job description is an indicator of better working conditions while 28% agreed and 20% neither agreed nor disagreed. 1% neither agreed nor disagreed. 42% strongly agreed that better communication is an indicator of improved working conditions, 12% agreed and 46% neither agreed nor disagreed. 56% strongly agreed that teamwork is an indicator of better working conditions in RRA, 39% agreed and 5% neither agreed nor disagreed.

Table 3: Respondents' level of satisfaction with factors of employee commitment

Views	SA		A		N		D		SD		Total	
	Fr	%	Fr	%	Fr	%	Fr	%	Fr	%	Fr	%
Promotions	41	71	30	29	0	0	0	0	0	0	71	100
Allowances	47	66	24	34	0	0	0	0	0	0	71	100
Bonus	30	42	30	42	21	16	0	0	0	0	71	100

Source: Primary data 2018